

S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increase of \$11.7 Billion in Q4 2024 As Dividend Growth Slows

- Q4 2024 U.S. common dividend increases were \$14.2 billion, up 1.0% from \$14.1 billion in Q3 2024 and down 18.8% from \$17.5 billion in Q4 2023.
- Q4 2024 U.S. common dividend decreases were \$2.5 billion, down 45.6% from \$4.6 billion in Q3 2024, and down 35.7% from \$3.9 billion in Q4 2023.
- Q4 2024 net indicated dividend rate change increased \$11.7 billion.
- For the 12-months ending December 2024, U.S. common dividend increases were \$71.4 billion up 9.7% from the 12-month December 2023 period's \$65.1 billion; decreases were down 36.7% to \$18.1 billion compared to \$28.6 billion for the prior 12-month period.
- The net 12-month December 2024 indicated dividend increase was \$53.3 billion compared to \$36.5 billion for the prior 12-month December 2023 period.

NEW YORK, January 8, 2025: S&P Dow Jones Indices today announced the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$11.7 billion** during Q4 2024, compared to the \$9.5 billion increase in Q3 2024 and the \$13.7 billion increase in Q4 2023. Increases were \$14.2 billion versus \$14.1 billion for Q3 2024 and \$17.5 billion in Q4 2023. Decreases were \$2.5 billion compared to \$4.6 billion in Q3 2024 and \$3.9 billion in Q4 2023.

For the 12-months ending December 2024, the net dividend rate increased \$53.3 billion compared to the net \$36.5 billion for the 12-months ending December 2023. For 2022 it was up \$68.2 billion and in 2021 it was up \$69.8 billion, with the 2020 net change negative as 43 S&P 500 issues suspended their dividends at -\$40.8 billion. Increases for the 12-month December 2024 period were \$71.4 billion versus the previous \$65.1 billion, and decreases were \$18.1 billion compared to \$28.6 billion in the previous period.

"Dividend growth continued in 2024, but noticeably slowed down in the second half after Brookings, Meta Platforms, Salesforce and Alphabet started to pay at a \$16.4 billion annual rate in the first half of the year. Companies remained shy of larger dividend commitments in Q4 2024 due to the election and are now awaiting new policies to formulate their business and expenditures," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.

Silverblatt continued: "Given the expectation of at least one FOMC interest rate reduction in 2025, the expected record earnings for Q4 and projected record earnings for 2025, companies may commit funds to larger dividend increases for 2025. While February historically is the largest month for dividend increases, this coming February is expected to be stronger as some companies may attempt to make up for the previous restrained approach. In 2024, S&P 500 large caps performed better than most, with record earnings, sales and dividends. For 2025, S&P 500 large caps are expected to post an 8% increase in dividend payments compared to the 6.4% increase in 2024, 5.1% increase in 2023 and the 10.8% increase seen in 2022."

Silverblatt concluded: “Many companies have the ability and cash-flow to increase their dividend payments, but remain concerned over the economy, government spending and taxing policy. Given the continued economic growth with lower interest rates and the relatively low unemployment rate, a clearer picture of potential policy should emerge in the first quarter, at which time more companies can better evaluate their future commitment.”

S&P 500® Dividends

On a per share basis, S&P 500 Q4 2024 dividend payments set a record, as payments increased 6.0% to \$19.81 per share from Q3 2024's \$18.68 and were up 7.8% from Q4 2023's \$18.38 payment. For 2024, the index paid \$74.83 per share, up 6.4% from \$70.30 for 2023.

Additional findings from S&P Dow Jones Indices' quarterly analysis of U.S. dividend activity includes:

Dividend Increases (defined as either an increase or initiation in dividend payments):

- 635 dividend increases were reported during Q4 2024 compared to 707 during Q4 2023, a 10.2% year-over-year decrease.
- Total dividend increases were \$14.2 billion for the quarter, down from \$17.5 billion in Q4 2023.
- For the 12-months ending in December 2024, 2,450 issues increased their payments, a decrease of 3.8% compared to the 2,548 issues for the 12-months ending in December 2023.
- Total dividend increases for the 12-month period were \$71.4 billion, up from \$65.1 billion in the prior 12-month period.

Dividend Decreases (defined as either a decrease or suspension in dividend payments):

- 33 issues decreased dividends in Q4 2024, a 19.5% year-over-year decrease compared to 41 issues in Q4 2023.
- Dividend decreases were \$2.5 billion in Q4 2024, compared to \$3.9 billion in Q4 2023.
- For the 12-months ending in December 2024, 132 issues decreased their dividend payments, a 65.8% decrease compared to the 386 decreases within the prior 12-month period.
- Dividend decreases were \$18.1 billion for the current 12-month period, a 36.7% decrease from the prior 12-month period's \$28.6 billion.

Non-S&P 500 Domestic Common Issues (for issues yielding 10% or less):

- The percentage of non-S&P 500 domestic dividend-paying common issues declined to 20.1% from Q3 2024's 20.4% and were down from Q4 2023's 20.4%.
- The weighted indicated dividend yield for paying issues was 2.83% in Q4 2024, up from 2.69% in Q3 2024 and down from 2.93% in Q4 2023. The average indicated yield increased to 3.19% in Q4 2024 compared to Q3 2024's 3.18% and was down from 3.23% in Q4 2023.

Large-, Mid-, and Small-Cap Dividends:

- 407 issues or 80.9% within the **S&P 500** currently pay a dividend, up from 404 in Q3 2024 and up from the 403 which paid in Q4 2023; 28 of the 30 constituents within the **Dow Jones Industrial Average®** pay a dividend with an average yield of 1.97% for all issues and 2.11% for the paying issues.
- 66.1% of **S&P MidCap 400®** issues pay a dividend, down from 66.6% in Q3 2024 and up from 65.8% in Q4 2023. 57.6% of **S&P SmallCap 600®** issues pay a dividend, down from 58.0% in Q3 2024 and down from 57.8% in Q4 2023.

- Yields were mixed for Q4 2024, as large-cap yields decreased to 1.28% (1.29% for Q3 2024 and 1.48% for Q4 2023), mid-caps increased to 1.46% (1.42% for Q3 2024 and 1.61% for Q4 2023), and small-caps increased to 1.62% (1.60% for Q3 2024 and 1.73% for Q4 2023).
- The yields across **dividend-paying** market-size classifications varied with large-caps increasing to 1.56% for Q4 2024 (1.54% in Q3 2024 and 1.93% in Q4 2023), mid-caps increasing to 2.22% (2.11% in Q3 2024 and 2.39% in Q4 2023), and small-caps increasing to 2.81% (2.69% in Q3 2024 and 2.93% in Q4 2023).

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